GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4311
ANSWERED ON:12.12.2016
Prices of Gas for Small Industries
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any special price has been fixed for the gas being supplied to cottage and small industries in various States and if so, the details thereof, State/UT-wise;

(b) whether any committee consisting of Ministers of Commerce and Industries of various States has been set up to advise on subsidised price fixation and if so, the details thereof; and

(c) whether there is deficit in the supply of natural gas to power and fertilizers units in the country and if so, the details thereof along with the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

(a): The price of domestic gas being supplied to various sectors including cottage and small industries in various States is fixed as per New Gas Pricing Guidelines, 2014. The gas to the Agra-Firozabad Industries in Uttar Pradesh is being supplied at Uniform Price Mechanism (UPM) with a mix of domestic and imported gas. Further, in the North East Region, a subsidy of 40% on the price of domestic gas is given on the sale of APM gas to APM customers.

(b): As per the information available, there is no such Committee consisting of Ministers of Commerce and Industries of various States to advise on subsidised price fixation.

(c): Government in the year 2015 has implemented two separate sector specific schemes to improve the availability of natural gas to power and fertilizer sector. In power sector, the Government has implemented a scheme for utilization of Gas based Power generation capacity for supplying imported natural gas (e-bid RLNG) to Stranded Gas based Power Plants as well as plants receiving domestic gas up to the target PLF selected through reverse e-bidding process for FY 2015-16 and FY 2016-17. In case of fertilizer sector, Government has implemented a scheme for ensuring the availability of sufficient quantity of natural gas at uniform pooling prices to all gas grid connected fertilizer (urea) manufacturing units. These schemes have enhanced the utilization of existing gas based power generation units and fertilizer (Urea) manufacturing units. Further, the Government has taken several steps to enhance domestic natural gas production through several policy initiatives such as:

(i) Policy to grant relaxation, extension and clarifications at development and production stage for early monetization of hydrocarbon discoveries.

(ii) Marginal Field Policy- Discovered Small Field Policy.

(iii) Uniform Licensing Policy-Hydrocarbon Exploration and Licensing Policy.

(iv) Policy for Grant of Extension to small and medium sized discovered fields.

(v) Policy for Marketing Freedom for Gas Produced from Deepwater and Ultra Deepwater areas etc.; and

(vi) Policy on testing requirements for discoveries made under New Exploration and Licensing Policy (NELP) Blocks.

(vii) To incentivize gas production from difficult areas, Government has granted marketing, including pricing, freedom for the gas produced from difficult areas. Marketing freedom has also been provided under Discovered Small Field bidding round as well as under Hydrocarbon Exploration and Licensing Policy (HELP) under which acreages will be provided in future.

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